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AMENDMENT TO [REDACTED]**[REDACTED] H.R. 3915****OFFERED BY MRS. MALONEY OF NEW YORK**

Page ⁶⁶~~66~~, after line ³~~3~~, insert the following new paragraph (and redesignate the subsequent paragraph accordingly):

1 “(2) PHASED-OUT PENALTIES ON QUALIFIED
2 MORTGAGES.—A qualified mortgage (as defined in
3 subsection (c)) may not contain terms under which
4 a consumer must pay a prepayment penalty for pay-
5 ing all or part of the principal after the loan is con-
6 summated in excess of the following limitations:

7 “(A) During the 1-year period beginning
8 on the date the loan is consummated, the pre-
9 payment penalty shall not exceed an amount
10 equal to 3 percent of the outstanding balance
11 on the loan.

12 “(B) During the 1-year period beginning
13 after the period described in subparagraph (A),
14 the prepayment penalty shall not exceed an
15 amount equal to 2 percent of the outstanding
16 balance on the loan.

1 “(C) During the 1-year period beginning
2 after the 1-year period described in subpara-
3 graph (B), the prepayment penalty shall not ex-
4 ceed an amount equal to 1 percent of the out-
5 standing balance on the loan.

6 “(D) After the end of the 3-year period be-
7 ginning on the date the loan is consummated,
8 no prepayment penalty may be imposed on a
9 qualified mortgage.”.

Page **66**, after line **11**, insert the following new para-
graph:

10 “(4) OPTION FOR NO PREPAYMENT PENALTY
11 REQUIRED.—A creditor may not offer a consumer a
12 residential mortgage loan product that has a prepay-
13 ment penalty for paying all or part of the principal
14 after the loan is consummated as a term of the loan
15 without offering the consumer a residential mort-
16 gage loan product that does not have a prepayment
17 penalty as a term of the loan.”.